

Making the most of your Retirement Plans:

The State of Delaware 457(b) Deferred Compensation Plan and Match Plan

The State of Delaware 403(b) Plan

You now have access to two of the most convenient ways to save for retirement – The State of Delaware 457(b) and 403(b) plans. Learn more about all of the features available to you and get started saving today.

Start Saving Today for a Better Tomorrow

Office of the State Treasurer
820 Silver Lake Boulevard, Suite 100
Dover, Delaware 19904
www.treasurer.delaware.gov
Velda Jones-Potter, State Treasurer

State of Delaware 403(b) Plan

The **Voluntary 403(b) Plan** is a pre-tax savings program allowed under the Internal Revenue Code with no employer match. You pay no current federal or state income taxes on the amount you contribute, or on the interest or dividends earned. Income taxes are paid only when funds are distributed. For 2010, the IRS deferral limit is \$16,500. In addition, if you are 50 years of age or older by the end of the calendar year, you can defer an additional \$5,500.

Eligible employees

To be eligible to participate you must work for a school district, charter school, the Department of Education, Delaware Technical and Community College or Delaware State University. All employees of these institutions can participate in the Plan. (Employees who are not regular full-time employees must contact their HR/Payroll representative prior to initial enrollment)

Employees can make contributions to a 403(b) program and the 457(b), putting up to the maximum dollar amount into each plan.

Self-service Retirement Manager

The State of Delaware now offers a new online self-service Retirement Manager tool. The Retirement Manager is a single, convenient and secure access point for employees to manage **Voluntary 403(b) Plan account(s)**.

The **Retirement Manager** gives you ready access to:

- Enroll in your Voluntary 403(b) Plan accounts;
- Choose an investment provider;
- Elect or Change your contribution amount;
- A comprehensive source for financial planning information;
- A set of easy-to-use, powerful financial calculators;
- A secure way to manage your account(s);
- A way to determine if you are on track and contributing as much as the law allows.

Retirement Manager features include enrollment as well as changes to and termination of elections. Employees can select the pay date for the enrollment or change to be effective.

TO ENROLL OR MAKE CHANGES GO TO:

myretirementmanager.com/?delaware

**Contact your HR/Payroll rep
prior to enrolling if you are not a
regular full-time employee.**

Set your Internet Options Privacy
setting to low, if necessary.

Click on **I'm a New User**.

On the **Group Selection** page,
locate the drop down menu and
select **State of Delaware**.
Click **Submit**.

Follow the instructions in Retirement
Manager.

NOTE: A link to Retirement Manager
and a list of approved investment
providers are also available on the
Treasurer's Office website within the
403(b)/TSA Plan section at
www.treasurer.delaware.gov

Office of the State Treasurer

820 Silver Lake Boulevard, Suite 100

Dover, Delaware 19904

www.treasurer.delaware.gov

Velda Jones-Potter, State Treasurer

State of Delaware Deferred Compensation 457(b) Plan and Match Plan (Match Suspended FY 11)

This voluntary tax-favored program allows all State of Delaware pension eligible employees to defer a portion of salary, before federal and state taxes are taken, into a supplemental retirement account with **Fidelity Investments**.

The annual contribution limits are 100% of your compensation to the following maximums:

- If you are age 49 or younger, you can contribute \$16,500 in 2010.
- If you are age 50 or older, you can contribute \$22,000 in 2010.
- As an alternative to the age catch-up, a 457 plan participant is eligible to defer up to twice the contribution limit in effect for the three years preceding the employee's normal retirement age.

Employees contributing to the 403(b) plan can also make contributions to the 457(b) plan, putting up to the maximum dollar amount into each plan.

Contact Fidelity Investments at 1.800.343.0860 or go online at <http://www.fidelity.com/atwork> to:

- establish a new account and designate amount you wish to contribute each pay period;
- increase; decrease; stop; or resume contributions;
- elect and or change your investment options

Contribution changes must be entered into prior to the first day of the month in which the compensation is to be paid or made available.

The State of Delaware encourages employees to save by matching employee contributions. \$10 per pay will be contributed to employee match accounts beginning 6 months after their first contribution. (Match suspended for FY 11).

You can withdraw funds when you:

1. separate from service according to the plan, at any age, for any reason, or
2. experience an approved, unforeseeable emergency; or attain the age of 70-1/2

**TO ENROLL OR MAKE CHANGES
ONLINE GO TO:**

<http://www.fidelity.com/atwork>

**OR CALL FIDELITY
INVESTMENTS AT:**

1.800.343.0860

NOTE: A link to Fidelity's website and additional information regarding the 457(b) Deferred Compensation plan is available on the Treasurer's Office website within the Deferred Compensation section at www.treasurer.delaware.gov

FACT SHEET

457(b) vs. 403(b)

<u>Feature</u>	<u>457(b)-Deferred Compensation</u>	<u>403(b) Plan</u>
Eligible Participants	State employees who are pension eligible (Casual-Seasonal employees are not eligible)	All employees of public schools, charter schools, DTCC, DSU and the Dept of Education
Basic Contribution Limits	\$16,500 in 2010 (IRS may increase limit each year)	\$16,500 in 2010 (IRS may increase limit each year)
Age 50 and over Catch-up Limits	\$5,500 in 2010 (IRS may increase limit each year)	\$5,500 in 2010 (IRS may increase limit each year)
Other Catch-up Limits	Recapture option Allows employees who are at least 3 years from obtaining normal retirement age the option to increase the amount deferred, up to twice the yearly maximum, in order to recapture unused deferrals from prior years of service. Please contact the State Treasurer's Office for more details.	N/A
Match Plan	\$10 per pay after 6 months of participation (Suspended for FY 10)	No
Fees	Investment fund management fees	12b-1, Custodial, Expense Deductions, Surrender Charges, Investment fund management fees
Distribution of Funds	Age 70 1/2, Upon separation from employment, Unforeseeable Emergency Withdrawal, QDRO Death	Age 59 1/2, Upon separation from employment, Becomes disabled, Hardship, Death, QDRO
Rollover	Can roll previous employer's pre-tax plans such as 401k, 403b, IRA or 457(b) into the State's 457(b) or vice versa	Can roll previous employer's pre-tax plans such as 401k, 403b, IRA or 457(b) into the State's 457(b) or vice versa
Trustee-to-Trustee Transfer (To buy State service)	Yes	Yes